

**PROPOSED REGULATION OF THE
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF MORTGAGE LENDING**

March 14, 2008

EXPLANATION – Matter in *italics* is new; matter in brackets [omitted material] is material to be omitted.

Authority: NRS 645B.0137; NRS 645B.0138; NRS 645B.051

Section 1. Chapter 645B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 through 12 of this regulation.

Sec. 2. *For the purposes of NAC Chapter 645B:*

1. *“Course” means any education course that has been certified by an organization listed in NAC 645B.360 and has been approved by the Division for pre-licensing or continuing education purposes.*

2. *“Hour of instruction” means 50 minutes or more.*

3. *“One semester credit” means 15 hours of instruction.*

4. *“Provider” means:*

(a) Any university or community college which is a part of the Nevada System of Higher Education, or any other university or college bearing the same or an equivalent accreditation.

(b) Any professional school or college licensed by the Nevada Commission on Postsecondary Education.

(c) Any out-of-state mortgage lending regulator; professional school or college licensed or accredited by a department of education or an equivalent agency of any other state.

(d) Any professional school that has met the requirements related to course content and relevance to the industry as set forth by any of the organizations listed in NAC 645B.360.

(e) Any organization listed in NAC 645B.360.

(f) Any other entity or person approved by the Division as a provider.

Sec. 3. *Pre-licensing and Continuing Education; Requirements for Mortgage Brokers and Mortgage Agents.*

[drafting note: suggested placement as a new general heading after NAC 645B.350 and deletion of existing header entitled “Continuing Education”]

1. *The following subjects are approved for pre-licensing and continuing education on mortgage lending:*

(a) Federal Laws and Regulations Regarding Mortgage Lending

- (1) *Truth in Lending Act and Regulation Z;*
 - (2) *Equal Credit Opportunity Act and Regulation B;*
 - (3) *Real Estate Settlement Procedures Act and HUD Regulation X;*
 - (4) *Fair Credit Reporting Act;*
 - (5) *Federal Trade Commission Act; and*
 - (6) *Other Federal Laws:*
 - (i) *Fair Housing Act;*
 - (ii) *Home Mortgage Disclosure Act;*
 - (iii) *Home Ownership Equity Protection Act;*
 - (iv) *Graham-Leach-Bliley Act;*
 - (v) *USA Patriot Act.*
- (b) *Nevada Law and Regulations Regarding Mortgage Lending*
 - (1) *Mortgage Brokers and Mortgage Agents---NRS Chapter 645B;*
 - (2) *Mortgage Brokers and Mortgage Agents Regulations---NAC Chapter 645B;*
 - (3) *Mortgage Lending and Related Professions---NRS Chapter 645F;*
 - (4) *Deceptive Trade Practices---NRS Chapter 598D and Chapter 645F; and*
 - (5) *Escrow Agency---NRS Chapter 645A.*
- (c) *General Mortgage Industry Practices and Information*
 - (1) *Appraisals;*
 - (2) *Program types, such as Fannie Mae, VA, Reverse Mortgages;*
 - (3) *Loan Documentation;*
 - (4) *Contract Law;*
 - (5) *Non-Traditional Mortgage Product Guidance;*
 - (6) *Settlement services;*
 - (7) *Underwriting, credit evaluations and mortgage calculations such as APR;*
 - (8) *Ethics, professional responsibility, trust accounting and general compliance procedures;*
 - (9) *General legal principles;*
 - (10) *Legislative issues which concern the practice of mortgage lending, including pending and recent legislation;*
 - (11) *Accounting principles and concepts used in financial statements as applied to mortgage lending transactions;*
 - (12) *The title insurance process, including information relating to preliminary title reports; title insurance; claims against title; mechanics liens; and the use of lis pendens;*
 - (13) *Mortgage lending and foreclosure consultant fraud;*
 - (14) *Commercial lending and underwriting; or*
 - (15) *Any other course approved by the Division.*

2. *Applicants for an original license as a mortgage broker or mortgage agent must take at least:*

(a) 30 hours of pre-licensing education on mortgage lending from the subjects listed in subsection (1), a minimum of 15 of which must be classroom education.

(b) The 30 hours of pre-licensing education on mortgage lending must consist of:

(1) Four hours of ethics;

- (2) Twelve hours of federal law and regulations regarding mortgage lending;*
- (3) Four hours of Nevada law and regulations regarding mortgage lending;*
- (4) Ten hours of electives.*

3. An applicant for an original license as a mortgage broker or as a mortgage agent who is designated as a Qualified Employee pursuant to NAC 645B.055 must as an elective take at least four hours of instruction relating to office policy and procedure, risk management, errors and omissions, affiliated business arrangements, labor relations, general management principles; loan prequalification and loan processing.

4. An applicant relying on pre-licensing education in order to receive an initial license as a mortgage agent or mortgage broker must provide to the Division a certificate or certificates, in a form satisfactory to the Division, indicating that the applicant has successfully completed such 30 hours of pre-licensing education.

5. Licensees must take at least 10 hours of continuing education courses every 12 months. Such courses shall focus on the practical application of mortgage lending transactions, and may not repeat the course content taken for the immediately preceding license renewal period. Such courses:

- (a) Must be offered in modules; and*
- (b) Except as otherwise provided in subsection 5, at least 50% of the course curriculum must be provided through live instruction in which the licensee and the instructor are in the same room.*

6. Licensees who live in a rural area may, with the prior written approval of the Division, take the continuing education course as an interactive, correspondence, distance or televideo course that involves interaction with the instructor and other students. For purposes of this section a rural area means a city whose population is less than 50,000 and is located more than 60 miles from a city whose population is more than 50,000.

7. Licensees must take continuing education courses that include:

- (a) 2 hours of professional ethics at least biannually;*
- (b) 2 hours of mortgage lending fraud training at least biannually;*
- (c) 2 hours of Nevada mortgage lending laws; and*
- (d) The remainder of hours required may be general electives relating to current information on mortgage lending laws, transactions and principles which will improve the professional knowledge of the licensee and enable him to give better service to the public.*

8. To obtain credit for a course of continuing education, a licensee must complete the course not more than 2 years before the date on which the license of the licensee would otherwise expire pursuant to NRS 645B.051 or 645B.430.

Sec. 4.*Examination In Lieu of Pre-licensing Education*

- 1. An applicant for an initial mortgage broker or mortgage agent's license may take an examination in lieu of completing 30 hours of pre-licensing education.*
- 2. The examination must be approved in advance by the Division and cannot exceed 4 hours in length.*
- 3. The applicant must pass an examination which is created and administered by an organization designated by the Division, with a score of at least 75%.*
- 4. A reasonable examination fee may be charged to the applicant by the organization creating and administering the examination.*
- 5. Examinations will be held at least once each two months on dates and times and places designated by the Division, and must at a minimum examine for the subjects required pursuant to NAC _____ [Drafting note: Sec. 2 (2), above] .*
- 6. Examinations must consist of at least 100 multiple choice questions.*
- 7. The applicant may not retain any examination materials, and may not be made public unless otherwise required by law.*

Sec. 5.*Providers of Pre-licensing and Continuing Education Courses*

- 1. A provider that wishes to offer courses to meet the educational requirements for licensure or continuing education under chapter 645B of NRS must apply to the Commissioner annually for approval on a form prescribed by the Division and pay any applicable fee. The application must include, without limitation:*
 - (a) The name and address of the provider;*
 - (b) The type of provider and a description of its facilities;*
 - (c) Any information requested by the Division concerning the ownership of the provider, including the business organization and the names and addresses of all directors, principals, officers and others having interests as owners;*
 - (d) A list of the instructors;*
 - (e) A list of the courses to be offered and a topical syllabus for each;*
 - (f) The allotment of time for each subject;*
 - (g) A proposed schedule of courses for 1 year;*
 - (h) The titles, authors and publishers of all required textbooks;*
 - (i) A copy of each examination to be used and the correct answer for each question;*
 - (j) A statement of:*
 - (1) The purpose of the provider;*
 - (2) The fees to be charged;*
 - (3) The days, times and locations of classes;*
 - (4) The number of quizzes and examinations;*
 - (5) The grading systems, including the methods of testing and standards of grading;*

(6) The requirements for attendance; and

(7) The location of the students' records.

(k) A statement that education courses shall not be provided free of charge as an inducement for students or their employers to utilize the services of the provider for any mortgage related activities;

(l) A statement as to whether the provider or any instructor employed by the provider has been disciplined by any governmental agency in this or any other state.

2. An approved provider for pre-licensing or continuing education courses under Chapter 645B of NRS must:

(a) Maintain a record of each student's attendance and certification in any of those courses for 4 years after his enrollment and shall have such records open to inspection by the Division, upon its request, during the provider's business hours.

(b) Upon a transferring student's request, furnish the provider to which he is transferring a copy of his attendance record and certification for each of those courses which he has completed.

(c) Upon a student's request, furnish the Division a transcript of the record of his grades and attendance.

3. A provider that is licensed to operate by the Commission on Postsecondary Education must provide evidence of licensure to the Division.

4. Within 15 days after the occurrence of any material change in the information provided by the provider in its application for approval which would affect its approval by the Commissioner, the provider shall give the Division written notice of that change.

5. To qualify for annual renewal of approval by the Commissioner, a provider must submit to the Commissioner before July 1:

(a) A written certification, in a form prescribed by the Division, declaring that the provider has met all applicable requirements of this chapter;

(b) A sworn statement, in a form prescribed by the Division, declaring that the information contained in the original application is current or, if it is not current, a list of all material changes; and

(c) Payment of any applicable fee for each course for which renewal is being sought.

6. The Commissioner may deny renewal of approval to any provider that does not meet the standards required by this chapter.

7. Within 60 days after a decision is made to deny renewal of approval, the Commissioner must give written notice of the decision and the basis for that decision by certified mail to the last known address of the provider.

8. A provider that conducts courses approved by the Commissioner:

(a) May employ as instructors of those courses only persons who meet the qualifications set forth in NAC 645B._____ [Drafting note: Sec. 5].

(b) Shall limit guest lecturers who are experts in the related fields to a total of 25% of instructional hours per approved course.

(c) Shall include a statement that the provider is approved by the Commissioner on all advertisements of the provider, and may not make any misrepresentation in its advertising about any course of instruction which it offers.

(d) Must require each student to attend the required number of hours of instruction as a condition of receiving certification for the course.

(e) May only certify the number of hours for which the course has been approved by the Commissioner. A portion of a course does not satisfy the requirements for certification.

(f) Must require that the entire course be completed by the applicant or licensee to satisfy the licensing or continuing education requirements.

(g) Must update its course materials at least annually to reflect changes in the law and marketplace.

(h) Shall not allow a licensee to pass the course by taking an examination without having the required attendance.

(i) Shall admit authorized personnel of the Division to audit and evaluate the presentation of the course, without prior notice by the Division or cost to Division.

(j) Shall notify the Division within 15 days after making any material change in the course.

(k) Shall not present a course for the main purpose of selling products and shall limit the announcement of products during the course to not more than 1 minute for each credit hour.

9. An owner, instructor, affiliate or other person associated with the provider shall not take an examination conducted by the provider for any mortgage licensing purposes.

Sec. 6.

Instructors of Pre-licensing and Continuing Education

1. A person or entity that provides a course of pre-licensing and continuing education may employ as an instructor of such course only persons who:

(a) Have prior written approval from the Division before teaching such course;

(b) Have:

(1) A bachelor's degree or a more advanced degree, plus at least 2 years of full-time experience, in the field in which he will be providing instruction; or

(2) Teaching experience of at least 75 hours in the field in which he will be providing instruction within the 3 years immediately preceding the date of his application for approval plus at least 3 years of full-time experience in that field; or

(3) At least 6 years of full-time experience in the field in which he will be providing instruction; or

(4) Any combination of at least 6 years of college-level course work and full-time experience in the field in which he will be providing instruction; and

(c) Have a good reputation for honesty, integrity and trustworthiness.

2. An applicant for approval as an instructor must apply on a form prescribed by the Division and pay any required fee.

3. The Division shall not approve a person as an instructor if the person:

(a) Has been disciplined by the Division:

(1) Within the immediately preceding 5 years; or

(2) More than one time; or

(b) Has been determined in an administrative or judicial proceeding to have violated any statute, rule, regulation or order pertaining to mortgage lending or real estate in this or any other state.

4. A person may be approved as an instructor to teach an approved course relating to his principal occupation if he submits to the Division satisfactory documentation of his qualifications and a resume outlining his experience, education and teaching experience in the field in which he will be providing instruction.

5. If the Division denies an application for approval as an instructor, the applicant may appeal the decision of the Division by filing an appeal with the Commissioner not later than 30 days after the date on which the applicant received notification of the denial of his application for approval as an instructor.

6. If the applicant files a timely appeal, the Commissioner will, as soon as practicable, hold a hearing concerning the denial of the application for approval as an instructor and will:

(a) Affirm the decision of the Division to deny the application for approval as an instructor;

(b) Approve the instructor for a limited period and under such conditions as the Commissioner deems appropriate; or

(c) Reverse the decision of the Division to deny the application for approval as an instructor.

7. The Division shall periodically review and evaluate each approved instructor.

8. (a) The Commissioner may withdraw the approval of an instructor who:

(1) Does an inadequate job of teaching the subject matter of a course as evidenced by student evaluations or an audit conducted by the Division.

(2) Has been determined in any administrative or judicial proceeding to have violated any statute, rule, regulation or order pertaining to mortgage lending or real estate in this or any other state.

(3) Has been convicted of, or entered a plea of guilty or nolo contendere to, any crime involving fraud, deceit, misrepresentation or moral turpitude; or

(4) Engages in inappropriate behavior in the classroom as evidenced by an audit conducted by the Division.

(b) Before withdrawing approval of the instructor of a course, the Commissioner must notify the provider of his intent to withdraw approval of the instructor. The notice must include the specific reasons upon which the Commissioner is basing his decision to withdraw the approval of the instructor. Not later than 30 days after the date on which he receives the notice, a provider may provide a written response to the Commissioner that clearly sets forth the reasons why the approval of the instructor should not be withdrawn and outlining any corrective measures that the provider will undertake. After the 30-day period has elapsed, the Commissioner shall review the notice and any response submitted by the provider and shall:

(1) Withdraw approval of the instructor;

(2) Allow the instructor to remain approved if certain specific enumerated conditions are met; or

(3) Allow the continued approval of the instructor.

If the Commissioner decides to withdraw approval of the instructor, the withdrawal of approval of the instructor becomes effective upon the mailing of the Commissioner's decision to the provider of the course taught by the instructor by certified mail, return receipt requested, to the provider's last known business address.

9. If the Commissioner withdraws approval of an instructor, the Division shall give credit to a student for completing the course if the student began the course before the provider was issued notice of the withdrawal of approval of the instructor.

10. The provider may appeal the decision of the Commissioner to withdraw approval of an instructor by filing an appeal with the Commissioner not later than 20 days after the date on which the withdrawal of the approval of the instructor becomes effective.

11. If the provider files a timely appeal, the Commissioner will, as soon as practicable, hold a hearing concerning the withdrawal of approval of the instructor at a regularly scheduled meeting and the hearing officer, whom may be an employee of the Division, will:

- (a) Affirm the decision of the Commissioner to withdraw approval of the instructor;*
- (b) Suspend approval of the instructor for a limited period and under such conditions as the hearing officer deems appropriate; or*
- (c) Reverse the decision of the Commissioner to withdraw approval of the instructor.*

12. An instructor shall ensure that:

(a) Class sessions are commenced in a timely manner and are conducted for the full amount of time that is approved; and

(b) Each course is taught according to the course plan and instructor guide that was approved by the Commissioner, including the furnishing to students of appropriate student materials.

(c) He conducts himself in a professional and courteous manner when performing his instructional duties and conducts classes in a manner that demonstrates the following basic teaching skills:

(1) The ability to present instruction in a thorough, accurate, logical, orderly and understandable manner, to utilize illustrative examples as appropriate and to respond appropriately to questions from students;

(2) The ability effectively to utilize varied instructional techniques in addition to lectures, including, without limitation, class discussion, role-playing and other techniques;

(3) The ability to utilize varied instructional aids effectively to enhance learning;

(4) The ability to maintain an appropriate learning environment and effective control of a class; and

(5) The ability to interact with adult students in a positive manner that:

(i) Encourages students to learn;

(ii) Demonstrates an understanding of varied student backgrounds;

(iii) Avoids offending the sensibilities of students; and

(iv) Avoids personal criticism of any other person, agency or organization.

Sec. 7.*Course Standards*

- 1. A course for education must:*
 - (a) Be approved annually by the Division;*
 - (b) Be certified annually by an organization listed in NAC 645B.360; and*
 - (c) Relate to mortgage lending or mortgage lending transactions.*
- 2 The following kinds of courses and activities do not meet the standards for education:*
 - (a) Courses designed to develop or improve clerical, office or business skills that are not related to the activities described in NRS 645B, such as typing, shorthand, operation of business machines, the use of computers, the use of computer software, improvement of memory, or writing of letters and reports;*
 - (b) Business courses in advertising or psychology;*
 - (c) Courses designed for motivational or development of self-image purposes.*
 - (d) A meeting for the promotion of sales, a program of office training, or other activity which is held as part of the general business of the licensee.*
 - (e) A course for the development of instructors.*
- 3. The Division will not approve more than:*
 - (a) Seven full hours of credit per day of instruction in a course for education if a final examination is not given; or*
 - (b) Eight full hours of credit per day of instruction in a course for education if a final examination is given.*
- 1. An application for the approval of a course for education must be submitted to the Division on a form provided by the Division.*
- 2. An application for approval of a course for education must include:*
 - (a) A copy of the certification of the course by one of the organizations identified in NAC 645B.360; and*
 - (b) A copy of the approval of the instructor by one of the organizations identified in NAC 645B.360.*
- 4. The Division will not grant retroactive approval for an education course.*
- 5. If a course offered by a provider that is a professional organization has been approved for continuing education, the provider shall not restrict attendance at the course to members of that organization.*
- 6. All advertising, promotional brochure or form for registration for a course for education must contain, in writing, the policy of the provider concerning cancellations and refunds.*

Sec. 8.*Approval of distance education courses*

- 1. A person who requests approval of a distance education course must demonstrate to the satisfaction of the Commissioner that the proposed distance education course satisfies the following requirements:*
 - (a) Unless the course is a self-paced study course, the course must be designed to ensure that students actively participate in the instructional process by utilizing techniques that require substantial interaction with the instructor, other students or a computer program. If the subject matter of the course is such that the learning objectives for the course cannot be reasonably*

accomplished without direct interaction between the instructor and the students, the course design must provide for such interaction.

(b) If the course does not provide students with the opportunity for continuous audio and visual communication with the instructor during the presentation of the course, the course must utilize testing and remedial processes appropriate to ensure mastery of the subject matter of the course by the students.

(c) If the course involves self-paced study, the course must be designed so that the time required for a student of average ability to complete the course is within the number of hours for which the course is approved, and the provider of the course shall utilize a system which ensures that students have actually performed all tasks designed to ensure participation and mastery of the subject matter of the course by the students.

(d) The proposed methods of instruction used in the course must be appropriate to the proposed learning objectives of the course, and the scope and depth of the instructional materials must be consistent with the proposed learning objectives.

(e) The provider of the course shall provide appropriate technical support to enable students to complete the course satisfactorily.

(f) An approved instructor must be reasonably available to respond within 2 business days to questions asked by students concerning the subject matter of the course and to direct students to additional sources of information.

(g) The provider of the course shall provide students with an orientation or information package which contains all information that the Division requires to be provided to students and all necessary information about the course, including, without limitation, information concerning fees and refund policies, subject matter and learning objectives, procedures and requirements for satisfactory completion, any special requirements with regard to computer hardware and software or other equipment, and instructor and technical support. The provider shall make available to students technical support relating to the use of any computer hardware or software, or other equipment or technology needed to complete the course.

(h) The provider of the course shall utilize procedures which reasonably ensure that a student who receives education credit for completing the course actually performed all the work required to complete the course. Upon request by the Division, the provider shall submit evidence of the means used to identify the student and that the student actually performed the work required to complete the course. If the course involves independent or self-paced study by students, such procedures must include, without limitation, the opportunity for direct contact by the provider with the student at the student's home or business via the telephone or electronic mail and a signed statement by the student certifying that he personally completed all course work. The provider shall retain such signed statements and records of student contact together with all other course records the provider must maintain.

2. A provider seeking approval of a computer-based distance education course must submit a complete copy of the course to the Division in the medium to be used and, if requested, must make available, at a date and time satisfactory to the Division and at the provider's expense, all equipment and software necessary to enable the Division to review the course. In the case of an Internet-based course, the provider shall provide the Division with access to the course via the Internet at no charge at a date and time satisfactory to the Division.

3. In determining whether to approve a distance education course pursuant to this section, the Commissioner will consider whether:

(a) The course consists of at least 3 hours of instruction;

(b) Students are required to complete a written examination proctored by a person acceptable to the Division or using a secure electronic method acceptable to the Division; and

(c) The course is presented by an accredited college or university that offers distance education in other disciplines, or whether the course is certified by an organization identified in NAC 645B.360 to certify courses. For the purposes of this subdivision, the certifying organization must use the following considerations when making its determination on whether to certify a distance education course:

- (1) The mission statement of the provider of the course;*
- (2) The minimum design of the course and the procedures for updating the course;*
- (3) The interactivity of the instruction with the students;*
- (4) Whether the instruction provided in the course teaches mastery of the course material;*
- (5) The support services which are available to students;*
- (6) The medium through which the course is delivered to students;*
- (7) A time study of the range of instructional hours for which a course should be approved or accredited;*
- (8) For each module of instruction, whether there is:*
 - (a) At least one learning objective for the module of instruction;*
 - (b) A structured learning method to enable the student to achieve each such learning objective;*
 - (c) A method of assessment of the student's performance during the module of instruction; and*
 - (d) A method of remediation pursuant to which a student who, based on the assessment of his performance, is determined to be deficient in his mastery of the course material may repeat the module until the student understands the course material; and*
- (9) Whether a complete syllabus or student manual, or both, for all courses or programs is provided in written form and includes accurate and clearly stated information about admissions, progression, completion, criteria, dismissal and any applicable licensing requirements.*

Sec. 9.

Certification of students taking courses by correspondence

If the Commissioner approves a provider to give a course of study which fulfills the educational requirements for licensing or continuing education and the provider offers the course by correspondence, the provider shall:

- (1) Require each student to:*
 - (a) Take a closed-book final examination with a proctor present at a location designated by the provider in its application for approval filed with the Commissioner;*
 - (b) Prove his identity before he is allowed to take any examination; and*
 - (c) Complete each course within an established minimum and maximum time.*
- (2) Certify the completion of only the number of hours for which the course has been approved by the Commissioner.*
 - (a) That the course is approved for either pre-licensing or continuing education in Nevada;*
 - (b) The number of hours of credit for education for which the course is approved; and*
 - (c) The number of the provider assigned by the Division.*

Sec. 10.*Certificate of Completion and Course Evaluation*

1. To receive a certificate of completion for an approved course a student must:

(a) Direct his attention to the instruction being provided and refrain from engaging in activities unrelated to the instruction;

(b) Refrain from engaging in activities which are distracting to other students or the instructor, or which otherwise disrupt the orderly conduct of a class, including, without limitation, the use of voice pagers, beepers and telephones;

(c) Not be absent from the classroom for more than 18 minutes per every 3 hours of instruction.

2. An instructor shall deny the award of a certificate of completion to a student who fails to satisfy the conditions set forth in subsection 1.

3. If an instructor denies the award of a certificate of completion to a student, the student may, within 30 days after that denial, file a written request with the Division to review the matter. If the written request contains allegations which, if true, would qualify the applicant to receive a certificate of completion, the Division shall set the matter for an informal hearing before him to be conducted as soon as practicable.

4. (a) Each approved course and each instructor of an approved course must be evaluated by students on a form prescribed by the Division and provided by the provider during every course offering.

(b) The provider shall:

(1) Arrange for the collection of the completed evaluations by a person other than the instructor of the approved course; and

(2) Mail or deliver copies of the completed evaluations to the Division within 10 working days after the last day of class for the course.

Sec. 11.*Annual Course Renewal*

1. The provider must annually apply for renewal of course approval on a form provided by the Division, describe on that form any changes in the course and pay any required renewal fee. An application for renewal must be filed at least 2 weeks before the previous approval expires. If the provider does not timely file the application for renewal, the provider must apply for an original approval.

2. Each approved course and instructor is subject to review and audit by the Division. If the Division conducts such a review or audit, the provider shall make available to the Division all records requested which are necessary to the review.

3. The Division shall renew the approval of a course if the information concerning the course has been updated and there is no material change in the content of the course.

4. Each of the following acts and conditions is a ground for the Commissioner to withdraw or refuse to renew its approval of a course:

(a) The curriculum or instruction, as shown by evaluations or audits, is of poor quality.

(b) The violation of any provision of this chapter relating to pre-licensing or continuing education.

(c) The course is not taught within the last period for which the course is approved.

(d) The provider of the course has made a false statement or has presented any false information in connection with an application for the approval of the course, the renewal of such approval or the approval of the provider.

(e) The provider of the course or any official or instructor employed by the provider has refused or failed to comply with any provision of this chapter or chapter 645B of NRS.

(f) The provider of the course or any official or instructor employed by the provider has provided false or incorrect information in connection with any report the provider is required to submit to the Commissioner.

(g) The provider of the course has engaged in a pattern of consistently cancelling scheduled courses.

(h) The provider of the course has remitted to the Commissioner in payment for required fees a check which was dishonored by a bank.

(i) An instructor employed by the provider of an approved course fails to conduct approved courses in a manner that demonstrates possession of the teaching skills described in this chapter.

(j) A court of competent jurisdiction has found the provider of the approved course or any official or instructor employed by the provider to have violated, in connection with the offering of education courses, any applicable federal or state law or regulation:

(1) Prohibiting discrimination on the basis of disability;

(2) Requiring places of public accommodation to be in compliance with prescribed standards relating to accessibility; or

(3) Requiring that courses related to licensing or certification for professional or trade purposes be offered in a place and manner accessible to persons with disabilities.

(k) The provider of the course or any official or instructor employed by the provider has been disciplined by the Commissioner or any other occupational licensing agency in this State or any other jurisdiction.

(l) The provider of the course or any official or instructor employed by the provider has collected money for an educational course but has refused or failed to provide the promised instruction or has engaged in a pattern of failing to provide refunds when due.

5. A licensee who is the provider of an approved course is subject to disciplinary action pursuant to this chapter for any dishonest, fraudulent or improper conduct by the licensee, or an instructor of the approved course employed by the licensee, in connection with activities related to the approved course.

Sec. 12.

Withdrawal of Course Approval

1. If the Division determines, whether pursuant to an audit or otherwise, that an approved course does not meet the standards for such a course set forth in this chapter, the Division shall notify the provider of the course of his intent to withdraw approval of the course. The notice must include the specific reasons upon which the Division is basing his decision to withdraw approval of the course. Not later than 30 days after the date on which he receives the notice, the provider may provide a written response to the Division that clearly sets forth the reasons why approval of the course should not be withdrawn and outlining any corrective measures that the provider will undertake. After the 30-day period has elapsed, the Division shall review the notice and any response submitted by the provider and:

(a) Withdraw approval of the course;

(b) Allow the course to remain approved if certain specific enumerated conditions are met; or

(c) Allow the continued approval of the course.

If the Division decides to withdraw approval of the course, the withdrawal of approval of the course becomes effective upon the mailing of the Division's decision to withdraw approval to the provider by certified mail, return receipt requested to the provider's last known business address.

2. If the Division withdraws approval of a course, the Division shall give credit to a student for completing the course if the student began the course before the provider was issued written notice of the withdrawal of approval of the course.

3. The provider may appeal the decision of the Division to withdraw approval of a course by filing an appeal with the Division not later than 30 days after the date on which the withdrawal of the approval of the course becomes effective.

4. If the provider files a timely appeal, the Commissioner will, as soon as practical, hold a hearing concerning the withdrawal of approval of the course and will:

(a) Affirm the decision of the Division to withdraw approval of the course;

(b) Suspend approval of the course for a limited period and under such conditions as the Commissioner deems appropriate; or

(c) Reverse the decision of the Division to withdraw approval of the course.

Sec. 13. NAC 645B.360 is hereby renumbered and amended to read as follows:

NAC 645B._____

1. The Commissioner hereby designates the following organizations to certify courses of continuing education for the purposes of [NRS645B.0137](#), [NRS 645B.051](#) and [645B.430](#):

~~*(1.)*~~ *(a) Mortgage Bankers Association;*

~~*(2.)*~~ *(b) Mortgage Bankers Association of Nevada;*

~~*(3.)*~~ *(c) National Association of Professional Mortgage Women;*

~~*(4.)*~~ *(d) Nevada Association of Mortgage Brokers;*

~~*(5.)*~~ *(e) The Real Estate Division of the Department of Business and Industry; and*

~~*(6.)*~~ *(f) University and Community College System of Nevada.*

(g) The Federal National Mortgage Association (Fannie Mae);

(h) The Federal Home Loan Mortgage Corporation (Freddie Mac); and

(i) The Department of Housing and Urban Development (HUD).

2. (a) Upon certification of a course as provided for in subsection 1, the provider of such course shall submit a copy of the certification along with a copy of the course material to the Commissioner for final approval of such course.

(b) The Commissioner will grant final approval of a course if the course contents meet the provisions of NAC _____, although the Commissioner may, in his discretion, use additional criteria.

3. The organizations listed in subsection 1 are not required to apply for approval as a provider pursuant to NAC 645B._____(1), provided the course is taught by an officer of the organization or his designee and the only fee received in relation to the course is received from the student.

Sec.14 . NAC 645B.365 is hereby repealed.

~~{1. To obtain credit for a course of continuing education, the course must be completed not more than 2 years before the date on which the license of the mortgage broker or mortgage agent would otherwise expire pursuant to NRS 645B.051 or 645B.430.~~

~~—2. A mortgage broker or mortgage agent must complete at least 90 percent of a course to receive credit for continuing education for that course.}~~